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exemption of improvements, and five involved local option—not one of them involved primarily the fundamental principles underlying the single tax.

In the first three elections occurring within a period of twelve years, i.e., Washington, 1898, Oregon, 1908 and 1910, in an aggregate of 229,070 votes cast, 40 per cent were for and 60 per cent against. During the three years, 1912–15 inclusive, the total votes cast were 3,223,298, of which 32 per cent were for and 68 per cent against. That is to say, the percentage “for” was, in the latter period, 1912–15, 8 per cent less than for the twelve-year period 1898–1910. This indicates either a declining interest in the subject, or else that the single tax, being now taken seriously by all, was vigorously opposed by some. Consolation for both friends and foes may, however, be found in the fact that these elections with their differing issues have small significance as bearing on the Henry George movement.

Dr. Young, under the caption of “Single Tax and Taxation of Land Values,” gives generous consideration to the efforts of the limited number of those disciples who have persisted along the less dramatic and non-political lines. The closing chapter contains not only a survey of the legislative achievements of the movement, but a few references to its most important “adversaries,” along with an interesting enumeration of the “persistent objections” with which the single tax has been confronted. A list of “Single Taxers who have taken an active interest in the tax abuses of their respective localities would,” says our author, “be a long one.” Among these there appears in bold relief the name of Mr. Thomas G. Shearman, who has contributed the sanest series of vital conclusions that have yet been evoked by the teaching of Henry George.

The book is supplemented by a useful bibliography and other addenda.

C. B. FILLEBROWN

BOSTON, MASS.

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*Studies in the Cost of Urban Transportation Service.* By F. W. DOOLITTLE. New York: American Electric Railway Association, 1916. 8vo, pp. 467+xxiii. \$3.50.

*Studies in the Cost of Urban Transportation Service* is a book that should have a special interest for the economist. Facts about any business are difficult for the outsider to get, and the economist has frequently to do pretty broad and far-reaching reasoning from a rather

restricted basis of concrete information. There is no doubt that all the discussions involving tariff, wages, interest, profits, regulation, etc., would gain much in directness, accuracy, and usefulness if it were possible to have, about all branches of business, the sort of information that is given so fully in this book about the street-railway business. The information is frankly presented by the street railways themselves, having been prepared for the purpose of putting before the public the difficulties of the present situation.

The book is the outgrowth of the work done by the Bureau of Fare Research of the American Electric Railway Association. Mr. F. W. Doolittle was chosen as director of this bureau, and he has here given a comprehensive summary of the results of studies and investigations of the factors affecting the cost of passenger transportation service. The discussions seem to be free from special pleading, and a student of street-railway problems will find a great amount of information.

Only a few years ago street railways were looked upon as one of the most conspicuous examples of private enterprise prospering unduly because of monopoly privilege. The protestations of the companies that this was not true received little attention until the inroads of the automobile on transportation earnings became obvious to everyone. If this new factor in transportation were the only disturbing element, the problem would be less interesting because it would be only a case of a new product lessening the demand for an old one. The automobile, by taking away business, has, however, accentuated the economic structure of the street-railway business, and there have been brought out more plainly the influences and economic tendencies to which the business is subject.

Great changes may be brought about in the financial condition of a property by changes in the investment cost for each dollar of gross receipts, or by changes in the operating expenses for each dollar of receipts, or by changes in the rate of return that will be attractive to the investor. The interplay of these influences is at times counteracting and at other times becomes cumulative.

With the ordinary business one may raise the selling price of the product if operating expenses increase; the street railway has a fixed fare. If to care for additional business requires greater investment for a dollar of receipts than formerly, the ordinary business may rest content with the amount of business already done, but the street railway must take care of increasing business regardless of increased investment for a dollar of receipts. If a rise in the rate at which investors are satisfied

will not permit of new investment for new business, the ordinary business does not increase. The street railway must, however, care for the business that offers, even if something is taken from the returns to the old investors in order to get new ones.

If the street-railway business were one with returns always increasing with increased business, conditions would not be permanently onerous, but the comparison between large and small properties does not give evidence of these increasing returns. As a matter of fact, it is some of the larger street-railway systems that give the greatest evidence of distress.

Increased gross business tends in some directions to increasing returns, for with the same haul expenses do not increase in proportion to additional riding, and some items like power and some of the general expenses grow less per ride as the business grows larger. On the other hand, much of the new business comes from outlying districts where the haul is long, and gross earnings frequently increase only because of extensions. The longer haul for the same price per ride tends to decreasing returns. It seems to be true that any street railway doing its duty or looking after its selfish interest will make new investment for any new business that will yield an attractive return on the additional investment, thus causing a tendency toward earnings as a whole that will yield no more than a minimum attractive return on the investment that the business requires.

Any business in which there is not a tendency toward increasing returns with increasing business and investment, is in danger of getting into difficulties if the additional investment is dictated, not by the needs and advantages of the business, as a business, but by some other influence, such as general social advantage. Investment that is economically wise for street railways depends upon the amount of new receipts it produces, upon the cost of operation for each dollar of new receipts, and upon the return on investment that is attractive. If new investment is forced upon it for expensive bridges, or paving, or other things that do not increase the receipts or decrease the operating expenses or lower the rate of return that will prove attractive, then the margin of profit quickly disappears and the property cannot take care of its legitimate extension. When this condition occurs, the attractive rate of return for new investment is also likely to rise, making the situation still worse.

When for any reason the operating ratio becomes higher, it becomes impossible to spend so much for the new plant necessary to care for a unit of new business if a return that will be attractive is to be secured.

Thus with the street railway anything like automobile competition which thins out the gross receipts per mile of track and per car mile cuts in two ways. It results in a higher operating ratio because of thinner business and it also necessitates a larger investment for a dollar of new business because there must be more than the normal plant of track, cars, paving, power house, etc., to care for a unit of thin business.

Many of these principles are of course always more or less vaguely recognized, but it is usually felt that the margin of profit in a monopoly like urban transportation is sufficient to make it unnecessary to reason about the principles very closely. A careful reading of this book will be likely to astonish one at the amount of study, investigation, and calculation the street railways have been put to, in understanding and meeting their problems.

RUSSELL ROBB

BOSTON, MASS.

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*Middlemen in English Business, Particularly between 1660 and 1760.*

By RAY BERT WESTERFIELD. (Transactions of the Connecticut Academy of Arts and Sciences, XIX, 111-445.) New Haven: Yale University Press, 1915. 8vo, pp. 345. \$3.40.

This book has for its purpose the giving of a "historical sketch of the origin and development of the middleman organization that served English business before the Industrial Revolution" (Preface, p. 113). It falls naturally, therefore, among the growing number of volumes on economic history, and will doubtless prove of service both to historians and to economists. For his material the author has had access (1) to "political, social, and economic tracts published as polemics, dissertations, complaints, and opinions on the contemporary questions that stirred the tongue and pen in the years of the past"; (2) to "published state, municipal and borough papers, including parliamentary reports and statutes"; and (3) to local and county histories (p. 113). From these three sources Dr. Westerfield has painstakingly collected and collated a mass of data to substantiate the thesis

that there developed a trading and mercantile class, a new kind of man—one who saw and created opportunities for trade at home and abroad—who took the initiative in new methods of organization, correlating and establishing a mutual interdependence between specialized producers and consumers—who influenced the policies of state to the furtherance of commerce—and who undertook activities new to the economic life then existent [p. 124].